

**Northern California Power Agency**

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**Comments by CVP Power Users  
to State Water Resources Control Board (SWRCB) Workshop  
on Bay/Delta Water Quality Standards**

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Mr. Chairman and Members of the Board, my name is Fred Schneiter and I am Chairman of Northern California Power Agency (NCPA). The Northern California Power Agency is a nonprofit, California Joint Action Agency which was established in 1968 to provide economies of scale for the purchase, generation, pooling, and conservation of electric energy and capacity for its members. Its membership consists of 11 municipal electric utilities, a Rural Electric Cooperative, an Irrigation District, and a Public Utility District. These members supply electric power to over 660,000 residential and business consumers throughout northern California. Not only is NCPA a major purchaser of hydroelectric power produced by the Central Valley Project, but several members own and operate hydroelectric facilities in the Central Valley. I am pleased to have member representatives of NCPA in the audience with me here today along with other members of the CVP Customer Technical Committee who share common interests in the Bay-Delta standards.

The purpose of my comments today is twofold. First, I would like to highlight the important environmental and economic benefits which California receives from the hydroelectric power produced in the Central Valley. Hydroelectric power generation in northern California could be substantially impacted by the standards adopted by this Board to protect the fish and wildlife of the Bay-Delta estuary. These impacts need to be considered carefully in order to promote a plan for the Bay-Delta that balances the many competing uses of this vital watershed.

Secondly, I would like to offer several specific comments on the questions posed for today's workshop. Our comments pertain to effects of diversions and the methods the Board will use to analyze the water supply and environmental effects of alternative standards.

Hydroelectric generation in northern California shares the responsibility for producing more than 85 billion kilowatt-hours of electricity for the northern California consumers and businesses. Behind only natural gas and nuclear power generation, hydroelectric power is the third largest source of electricity generated in northern California, producing more than 15 billion kilowatt-hours of electricity. A major contributor in the production of clean, renewable hydroelectric power is the Central Valley Project, which generates hydroelectric power at 11 major dams located primarily along Sacramento, Trinity, American, and Stanislaus Rivers. In fiscal year 1993, the Central Valley Project produced more than 3.5 billion kilowatt-hours of clean, renewable electricity. This is equivalent to the amount of annual energy to serve about 450,000 northern

California homes. Producing an equivalent amount of power from fossil fuels would have required the burning of 32 billion cubic feet of natural gas. This would have resulted in the release of substantial quantities of carbon dioxide, nitrogen oxides and other pollutants into the atmosphere.

In addition to the environmental benefits of hydroelectric power generation, revenues from the sale of Central Valley Project hydroelectric power are used to repay a significant portion of the federal government's investments in the Project's dams, canals, and other facilities. Power users alone will contribute more than \$576 Million toward project construction costs, including more than \$62 Million in irrigation aid. These Central Valley Project facilities broadly benefit the California economy and everyone that uses water from the CVP.

Furthermore, CVP power customers are major contributors to the environmental restoration work authorized by the U.S. Congress, including ESA and the 1992 Central Valley Project Improvement Act (CVPIA). In Fiscal Year 1994, CVP power users will contribute about \$8 million to the CVPIA Restoration Fund through a special surcharge on power sales.

To ensure the continued enjoyment of these economic and environmental benefits, it is vitally important that CVP power generation be preserved as a renewable and environmentally sensible resource for northern California. In developing standards and policies to protect the fish and wildlife uses of the Bay-Delta, we therefore urge the Board to avoid imposing constraints that would unnecessarily diminish the hydroelectric power generating capacity or the value of that resource to its consumers.

Turning now to the specific questions posed in the Board's notice, we offer some general and specific comments.

Regarding the first question of 'what are the principle ESA issues', we only have only general comments. We are in the electric power utility business, and cannot profess to be experts in ESA issues. However, NCPA hopes that the Board cooperates as closely as possible with the U.S. Environmental Protection Agency and the other Club FED agencies to define appropriate issues and develop balanced standards for protecting the Bay-Delta Estuary. A coordinated regulatory approach should provide important benefits to California by reducing uncertainty concerning the quantity, quality, and reliability of electric power from the hydroelectric projects. This will help preserve the long-term use of hydroelectric power, and avoid the need for costly investments in non-renewable power generation facilities and the attendant environmental effects.

In addition, NCPA urges the Board to adopt standards that give hydroelectric power operators maximum flexibility to meet the required water quality criteria. Such an approach will help ensure that important fish and wildlife resources are protected at the lowest possible cost to California consumers, including CVP power customers, while enabling us to preserve our operating capability.

On the second question, regarding 'the effects of diversion on the beneficial uses of the northern California water supply,' we encourage the Board to include the effects of diversions on hydroelectric power generation. Water diversions in the delta impact the timing and level of water releases which in turn impact the timing and amount of hydroelectric generation. As stated earlier, changes in the diversions can have significant economic and environmental consequences.

On the final questions regarding 'methods to analyze the water supply and environmental effects,' NCPA recommends that the analysis be expanded to consider power generation, because of its significant economic and environmental influence. These methods should include analysis of the impacts on the: (a) amount of hydroelectric energy produced by the Central Valley rivers and streams; (b) seasonal timing of energy generation; and (c) capacity available from the existing projects. Available models exist to assist in the analysis. The water supply model used by the Board in the past (DWRSIM) lacks the capability to consider these issues for the Central Valley Project Facilities and to explicitly address the San Joaquin basin. With the complex, integrated effect of the entire Central Valley on the Bay-Delta, other models such as PROSIM should be included in the analysis, otherwise a meaningful evaluation will not be possible. The NCPA and its members will assist in filling this important gap in the coming months in cooperation with other entities.

Thank you for the opportunity to provide comments on this important matter. We look forward to cooperating with other interests in defining a balanced path and sharing of responsibility for enhancing the Bay-Delta estuary. We hope to aid in providing pertinent technical information that portray the important effects of hydroelectric power generation on the California consumer, business economy and the environment. If you have any questions concerning our comments, I would be pleased to try to answer them.